



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

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First District

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Fifth District

June 17, 2004

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Avenue  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENTS TO THE MEDICAL SCHOOL AFFILIATION AGREEMENTS WITH  
REGENTS OF THE UNIVERSITY OF CALIFORNIA AND THE UNIVERSITY OF  
SOUTHERN CALIFORNIA (First, Second and Fifth Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

- ▶ Approve and instruct the Director of Health Services, or his designee, to sign an amendment to Agreement No. H-210840 with the Regents of the University of California for the continued provision of medical education and certain patient care services at Harbor-UCLA Medical Center (Harbor) and Olive View-UCLA Medical Center (Olive View), effective July 1, 2004 through June 30, 2009. The maximum annual County obligation in Fiscal Year 2004-05 under this agreement will be \$20,483,375.
- ▶ Approve and instruct the Chairman of the Board of Supervisor, or his designee, to sign an amendment to Agreement No. H-211755 with the University of Southern California for the continued provision of medical education and certain patient care services at LAC+USC Medical Center (LAC+USC), effective retroactive to July 1, 2003 through June 30, 2009. The maximum annual County obligation in Fiscal Years 2003-04 and 2004-05 under this agreement is \$73,076,000.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

Under the medical school affiliation agreements approved by the Board of Supervisors, the County can renegotiate annually the financing provisions to reflect changes in the nature or volume of services purchased under the agreement. This amendment reflects changes being made in the purchased services.

FISCAL IMPACT/FINANCING:

The maximum annual County obligation of the amended affiliation agreement with the Regents of the University of California will be \$20,483,375 in Fiscal Year 2004-05 (\$7,966,650 for Harbor/UCLA and \$12,516,725 for Olive View/UCLA). This reflects a \$1,361,164 increase over the Fiscal Year 2003-04 contract amount (\$376,000 for Harbor/UCLA and \$985,164 for Olive View UCLA). Funding for the University of California agreement is included in the Department's Fiscal Year 2004-05 Proposed Budget. This action does not increase net County cost.

The maximum annual County obligation of the amended affiliation agreement with the University of Southern California will be \$73,076,000 in Fiscal Years 2003-04 and 2004-05. This reflects a \$2,835,000 retroactive increase over the Fiscal Year 2002-03 contract amount for Fiscal Year 2003-04, which will carry forward to Fiscal Year 2004-05. Funding for the University of Southern California agreement is included in the Department's Fiscal Year 2003-04 Adopted Budget and the Fiscal Year 2004-05 Proposed Budget. This action does not increase net County cost because existing funds will be realigned within the facility's budget to cover this increase.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Department entered into the current agreements with the Regents in 1999 and with USC in 2000. The agreements had initial terms of five years, with one-year automatic extension at the end of each contract year, unless either party serves notice of non-renewal, in which case the agreement would expire five years hence.

The Department had originally intended to incorporate these changes into the renegotiation of the affiliation agreements with USC and UCLA, unfortunately, other events, such as the restructuring of operations at King/Drew Medical Center and the Department's relationship with Charles R. Drew University of Medicine and Science, delayed the renegotiation of the agreements. Recent changes by the Accreditation Council on Graduate Medical Education (ACGME) in accreditation requirements related to the number of hours per week residents can work necessitated amending the agreements sooner than the renegotiation discussions allowed. In order to ensure LAC+USC is able to comply with recent accreditation requirements related to resident work hours, and is appropriately prepared for its October 2004 Graduate Medical Education Institutional Review, it is necessary that the USC amendment be approved by the end of this Fiscal Year, and be made retroactive to July 1, 2003. The UCLA amendment is not retroactive.

Both agreements are being amended to incorporate required contract provision such as jury service, Safely Surrendered Baby, the new Child Support Enforcement language, and the new Responsibility and Debarment language. While Living Wage requirements apply to the USC agreement, as it is a Proposition A agreement, this language has not been included in this Amendment, as the Department has initiated renegotiation of the entire agreement and this matter will be discussed in the context of those negotiations. USC has confirmed that, even though it is currently exempt from the current Living Wage ordinance as a result of its non-profit status, it is in compliance with the Living Wage requirements.

To avoid the need to renegotiate the entire agreement each year, those provisions that are likely to change on an annual basis are contained in either addenda or exhibits to the agreement. Any material or substantive changes to either the agreement in whole or to the addenda, particularly with regard to the level of funding, require approval by the Board of Supervisors. A summary of the changes in the addenda and exhibits is outlined below.

#### *UCLA Affiliation Agreement*

Exhibits 1-I and 1-II list the County and University administered training programs in place at Harbor and Olive View. These exhibits have been updated to reflect changes in the training programs based at each of the facilities. The most significant of these changes is that the sponsorship of the Internal Medicine training program at Olive View has been transferred from UCLA to Olive View.

The Purchased Services Addendum (Addendum A) delineates the nature and volume of the services to be purchased under the agreement, as well as the funding of the agreement. The amendment contains several changes to Addendum A related to the transfer and incorporation of several programs into the agreement.

This amendment includes additional funds to support the facilities in their effort to comply with newly-imposed requirements by the accrediting body related to the number of hours worked by medical residents. As noted above, the ACGME established new standards that limit resident duty hours to a maximum of 80 hours per week and put other restrictions on duty hours. In order to meet the new requirements, DHS will need to add personnel to provide necessary clinical coverage. A portion of the funds were designated to hiring County personnel and a portion to augmenting funding under the affiliation agreements to provide academic stipends to the new physician personnel for the supervision of residents. Funds to support these activities are included in the Department's Fiscal Year 2004-05 budget request.

This action would add \$376,000 to the UCLA affiliation agreement at Harbor to pay stipends through the agreement to academic physicians hired to meet the resident work standards. The Olive View portion of the agreement would be augmented by \$985,164 to cover the cost of purchase of an additional nine UCLA residents who rotate to Olive View for their training. Unlike the other DHS hospitals, Olive View does not directly employ residents, but rather pays for the rotation of UCLA

residents, enrolled in UCLA training program to the facility. The Olive View portion of the agreement also is amended

Finally, Addendum A-III, pertaining to the provision of academic services at the Edmund D. Edelman Westside Mental Health Clinic is being deleted, as the affiliation agreement has been superceded by a separate contract between the Department of Mental Health and UCLA.

*USC Affiliation Agreement*

The current agreement allows for the transfer of funds to the University upon the attrition of County-employed physicians in order to obtain clinical coverage from University-employed physicians and maintain the current level of patient care services at the facility. The agreement has reached the current contract maximum obligation, and thus the County cannot transfer funds from the hospital to the University to support the purchase of necessary physician services to meet patient care needs. Addendum A is being amended to realign \$1,296,000 within the facility's budget to accommodate the hiring of new physicians by the University to provide services previously rendered by County-employed physicians who have left or are anticipated to be leaving County service within the next year.

Also included in the facility's Fiscal Year 2003-04 and 2004-05 budgets is \$1.255 million in funding to support the hiring of additional physician personnel to bring LAC+USC Medical Center into compliance with the new ACGME resident duty hours, as described above. Addendum A is being amended to increase the contract maximum obligation to allow the transfer of funds necessary to hire the additional necessary faculty.

Finally, the agreement includes the transfer of \$314,000 from the hospital's budget to hire two pediatricians to support the Community-Based Assessment and Treatment Center, which is being established and operated by the Department's Violence Intervention Program.

Existing County policy and procedures require the timely submission of contracts for Board approval. Due to a delay in the renegotiation of the affiliation agreements as well as the time required to negotiate certain provisions, the amendment to the USC agreement is retroactive to July 1, 2003.

CONTRACTING PROCESS:

These are amendments to existing Agreements No. H-210840 and H211755.

Honorable Board of Supervisors  
June 17, 2004  
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IMPACT ON CURRENT SERVICES:

Approval of this amendment will allow the continued provision of academic services by UCLA at Harbor and Olive View and the continued provision of clinical and academic services at LAC+USC.

When approved, the Department requires the original and three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

Thomas L. Garthwaite, MD  
Director and Chief Medical Officer

TLG:ak

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**SUMMARY OF AGREEMENTS**

(Regents of the University of California and University of Southern California)

1. AGENCY ADDRESS AND CONTACT PERSON:

Thomas L. Garthwaite, MD  
Director and Chief Medical Officer  
Telephone: (213) 240-8101

2. TITLE OF PROJECT:

Amendments to the Medical School Affiliation Agreements with the Regents of the University of California and the University of Southern California.

3. TERM:

Regents of the University of California: July 1, 2004 through June 30, 2009.  
University of Southern California: July 1, 2003 through June 30, 2009.

4. FINANCIAL INFORMATION:

The maximum annual County obligation of the operating agreement for Fiscal Year 2004-05 with the Regents of the University of California is \$20,483,375. The maximum annual County obligation of the operating agreement with the University of Southern California is \$73,076,000 for Fiscal Year 2003-04 and 2004-05. There is no increase in net County cost associated with either amendment.

5. GEOGRAPHIC AREA TO BE SERVED:

First, Second, and Fifth Districts.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Medical Administration at Harbor-UCLA Medical Center, Olive View-UCLA Medical Center, and LAC+USC Medical Center.

7. APPROVALS:

DHS Director and Chief Medical Officer: Thomas L. Garthwaite, MD

Director of Finance: Gary Wells

Contracts and Grants Division: Irene Riley

County Counsel (as to form): Elizabeth Friedman, Deputy County Counsel

AFFILIATION AGREEMENT

Amendment No. 2

THIS AMENDMENT between COUNTY OF LOS ANGELES (hereafter "County") and THE UNIVERSITY OF SOUTHERN CALIFORNIA (hereafter "University") is effective July 1, 2003.

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated October 17, 2000, and further identified as County Agreement No. H-211755 (hereafter "Agreement") and Amendment No. 1 thereto;

WHEREAS, it is the desire of the parties hereto to amend the Agreement to amend Paragraph 12.19, add Paragraphs 12.27, 12.28, 12.29, 12.30, 12.31, and make changes to Addendum A and Exhibits 1 and 5 as described hereinafter;

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties;

WHEREAS, the Agreement allows for the annual amendment of Addendum A,

NOW, THEREFORE, the parties hereby agree as follows:

1. Following approval by the County Board of Supervisors this Amendment shall become effective July 1, 2003.

2. That Paragraph 12.19 be amended and Paragraphs 12.27, 12.28, 12.29, 12.30, and 12.31 be added to the Agreement as follows:

**12.19** All references to the District Attorney in Paragraph 12.19 shall be replaced with Child Support Services Department ("CSSD").

**12.27** CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided under this Agreement, debar Contractor from bidding on County contracts for a specified period of time not to exceed three (3) years, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this Agreement or other contract with County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor shall be deemed to have waived all rights of appeal.

F. A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to any subcontractors of Contractor, vendor, or principal owner of



Contractor, as defined in Chapter 2.202 of the County Code.

**12.28** PURCHASING RECYCLED-CONTENT BOND PAPER: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

**12.29** COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM: This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract

agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. The required form, "County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception", is to be completed by the Contractor prior to Board approval of this Agreement and forwarded to ADPA.

D. Contractor's violation of the above subparagraph of Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

**12.30** NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is attached hereto and also is available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

**12.31** CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a

prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

3. That Addendum A and Exhibits 1 and 5 shall be replaced with the revised Addendum A and Exhibits 1 and 5, attached hereto and incorporated by reference.

4. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Chairman and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS, Executive  
Officer of the Board of Supervisors  
of the County of Los Angeles

University of Southern California  
Contractor

By Dennis S. Daugherty  
Title Senior Vice President

By: \_\_\_\_\_  
Deputy

6/16/04

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By [Signature]  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By [Signature]  
Irene E. Riley, Director  
Contract Administration

## EXHIBIT 1

### County and University Training Programs

The following shall constitute County Training Programs, subject to this Agreement:

- Anesthesiology
- Dentistry – General
- Dentistry – Oral Maxillofacial (DDS)
- Dentistry – Oral Maxillofacial (MD-DDS)
- Dermatology
- Emergency Medicine
- Internal Medicine – Core
- Internal Medicine – Cardiovascular Disease
- Internal Medicine – Endocrinology/Diabetes/Metabolism
- Internal Medicine – Gastroenterology
- Internal Medicine – Geriatric Medicine
- Internal Medicine – Hematology
- Internal Medicine – Infectious Disease
- Internal Medicine – Nephrology
- Internal Medicine – Oncology
- Internal Medicine – Pulmonary Critical Care Medicine
- Internal Medicine – Rheumatology
- Internal Medicine – Pediatrics
- Neurology
- Neurological Surgery
- Obstetrics-Gynecology – Core
- Obstetrics-Gynecology – Endocrine/Infertility
- Obstetrics-Gynecology – Maternal Fetal
- Obstetrics-Gynecology – Gynecological Oncology
- Obstetrics-Gynecology – Gynecological Urology
- Ophthalmology
- Orthopedic Surgery – Core
- Orthopedic Surgery – Hand Surgery
- Otolaryngology
- Pathology – Core
- Pathology – Cytopathology
- Pathology – Hematopathology
- Pathology – Neuropathology
- Pediatrics – Core
- Pediatrics – Allergy/Immunology
- Pediatrics – Neonatology
- Psychiatry – Core
- Psychiatry – Child Psychiatry
- Psychiatry – Forensic Psychiatry
- Radiation Oncology
- Radiology – Core
- Radiology – Neuroradiology (CPSA)
- Radiology – Vascular/Interventional Radiology (CPSA)
- Surgery – Core
- Surgery – Cardiothoracic Surgery

Surgery – Colon and Rectal Surgery  
Surgery – Plastic Surgery  
Surgery – Plastic Surgery/Hand  
Surgery – Critical Care  
Urology

The following shall constitute University Training Programs, to be conducted in whole or in part at Primary County Facilities:

Anesthesiology - Pain Management  
Dentistry  
Family Medicine  
Independent Health Professions  
Internal Medicine – Interventional Cardiology  
Nuclear Medicine  
Pharmacy  
Surgery – Vascular

## EXHIBIT 5

### Tenured Faculty Members Subject to Special Indemnification

The following shall comprise the tenure and tenure track Faculty, pursuant to § 11.3.

Theresa Khalil Abboud	Paul Y. K. Wu
Jamshid Ahmadi	Chi-Shing Zee
Mohammad Akmal	
Valerie Askanas	Frank Xavier Acosta
Charles A. Ballard	Michael Lawrence Apuzzo
Robert Barnt, Jr.	Thomas V. Berne
William Bondareff	Hyman Bernstein
Stuart D. Boyd	Paul F. Brenner
John Neale Briere	Vito Michele Campese
Thomas A. Buchanan	John Richard Daniels
Parakrama T. Chandrasoma	Uri Elkayam
Patrick M. Colletti	Atsuko Fujimoto
Gere S. Dizerega	Steven L. Giannotta
William King Engel	David Aaron Goldstein
Donald I. Feinstein	Bruce Gross
Deborah M. Forrester	David Horwitz
Parkash Singh Gill	Roger Jelliffe
James M. Halls	Cage Saul Johnson
L. Julian Haywood	Elaine Kaptein
Robert Israel	James Richard Keane
Michael Noel Koss	Rodanthi C. Kitridou
Andrea A.S. Kovacs	Dinesh Kumar
Richard H. Lamb	Loren A. Laine
Gary Lieskovsky	Robert A. Larsen
Sue Ellen Martin	Loren Lipson
Carol Ann Miller	Shaul Massry
Daniel R. Mishell, Jr.	Margaret M. McCarron
Charles Paul Morrow	Paul R. Meyer
Bharat N. Nathwani	Mildred Milgrom
Michael John Patzakakis	Richard J. Paulson
Darleen Ruth Powars	Francisco Quismorio
Subit Roy	D. Randall Radin
Robert Keith Rude	Shahbudin H. Rahimtoola
Sidney Russak	Philip W. Ralls
Fred R. Sattler	Dale Rice
Lon Schneider	Hervey David Segall
Donna Shoupe	Om P. Sharma
Ira A. Shulman	Bijan Siassi
Michael E. Siegel	William Stohl
Howard Silberman	Evelyn Lee Teng
Donald Skinner	Martin Harvey Weiss
Ronald Edward Smith	Albert E. Yellin
Clive Roy Taylor	Adina Zeidler
Norman Tiber	
Fred A. Weaver	
Leslie P. Weiner	

## ADDENDUM A

### Purchased Services

#### Contract Year Ending June 30, 2004 ("Contract Year 2004")

- A.1 **General.** Payment for Purchased Services will be made by County to University in the amounts set forth in § A.3 below. Payment for Purchased Services shall be made in quarterly installments, each payable on the first business day of each Contract Year quarter. In addition, if County requests increases in the volume of any Purchased Services identified in this Addendum A, County will pay for such services in advance on a quarterly basis. University is not obligated to provide such supplemental services until University receives payment from County for those services. Any new services which the Parties agree to commence during the Contract Year, of a nature not set forth in this Addendum A, will be provided pursuant to an amendment or separate agreement between the Parties, subject to the approval of the County Board; such new services will be taken into account in revising Addendum A for the next Contract Year.
- A.2 **Purchased Services.** University shall provide the following purchased Services during the contract year ending June 30, 2004 ("Contract Year 2004"). The type and volume of Purchased Services provided during Contract Year 2004 shall continue at the same overall level, on an annualized University Personnel FTE basis, as provided by University Personnel during the prior Contract Year, with the addition of those services itemized in §A.2.4.1, which the Parties have agreed to add.
- A.2.1 Clinical Services. Except for those services which may be provided by persons other than University Personnel, University shall provide those clinical services sufficient to address the goals and responsibilities set forth in §5.4.
- A.2.2 Non-Clinical Services. Except as provided by persons other than University Personnel, University shall provide academic and management services sufficient to address the goals and responsibilities set forth in §§ 5.3 and 5.5, respectively.
- A.2.3 Research. The Parties understand and agree that no funds paid under this Agreement shall be used to pay for non-clinical research. If it is determined that any funds are used to pay for non-clinical research, University shall reimburse County such amount.



A.2.4 Volume of Services. Until measures are developed to more accurately define the volume of clinical services purchased, the Parties agree that the volume of services will be measured on the basis of full time equivalents (FTEs) for physicians and other University Personnel.

A.2.4.1 *Period Ending 06/30/04.* University shall provide no fewer than the number of FTE's below for the Contract Period July 1, 2003 to June 30, 2004:

Current Physician and Dental FTEs\*      434

New Physician FTEs

Intern/Resident Work Hour Reduction

Medicine	5
Surgery	3
Neurosurgery	1.4

Community Based Assessment

Pediatrics	2
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**Total Physician FTEs**      **445.4**

Current CRNA FTEs      13.3 (not recorded in PTAMs)

Non-Physician FTEs      74.75

\*The number of FTEs listed represents a total that includes the work of 66.23 direct County-paid physicians who may also receive a stipend from the University and 10 direct County paid CRNAs.

A.2.4.2 *Allocation of FTEs.* The allocation of University Personnel FTEs among Departments may be changed upon written agreement of the CEO and University Representative that such reallocation optimizes the use of personnel in the performance of this Agreement.

A.2.4.3 *Attrition of County-Employed Physicians.* Upon attrition of a County-employed physician in Primary County Facilities, Director may 1) hire a replacement or 2) direct University, for the remainder of the Contract Year to provide the services previously provided by such County physician through University-employed physicians, which shall constitute additional Purchased Services under this Agreement for which University shall be compensated.

**A.3 Payment for Purchased Services.** County shall compensate University as follows:

Contract Amount from Prior Addendum A	\$ 68,664,884
Supplemental Anesthesia Services	\$ 1,576,116
<b>Contract Amount for Contract Year 2004</b>	<b>\$ 70,241,000</b>

New Services to be purchased in Contract Year ending 06/30/04: (Payment for any New Services in Contract Year 2004 shall be made only on a pro-rated basis for actual services provided in order to account for the fact that all New Services did not commence at the beginning of Contract Year 2004).

- Additional Physician Specialist coverage provided due to new Intern and Resident work hour limitations	\$ 1,225,000
- Services to cover for departure or retirement of DHS employed Physicians/non-physician at LAC+USC Medical Center	\$ 1,296,000
- Community Based Assessment & Treatment Center	\$ 314,000
<b>Contract Maximum Amount for Contract Year 2004</b>	<b>\$ 73,076,000</b>

In the event that County employed physicians receive a cost of living adjustment during Contract Year 2004, University may also be entitled to a cost of living adjustment for the same period, not to exceed any cost of living adjustment received by County employed physicians, provided that funding is included and available in County's budget.

**A.4 Volume of Purchased Services.** The Parties agree to develop a jointly a consolidated data reporting mechanism and methodologies and processes to capture fully and accurately the inpatient and outpatient, clinical and non-clinical Purchased Services activities.

In parallel with the development of such a system, University shall provide the County the following information: Prospective clinical, administrative, and teaching schedules, with names attached, provided on a monthly basis; FTE allocations and blinded itemized lists of physician salaries paid through the Agreement, provided on an annual basis. For purposes of the blinded salary information, all departments with 10 or fewer physicians may be submitted in aggregate form. University shall continue to provide this documentation until

such time as mutually agreed by the Parties. Services provided to County by University during the year ended June 30, 2004, shall be measured using information provided by University in this § A.4.

**A.5 Primary County Facilities.** The following facilities, at which University is currently providing services, and at any other mutually agreed upon sites, shall constitute the Primary County Facilities:

The Los Angeles County +University of Southern California Medical Center  
El Monte Comprehensive Health Center  
H. Claude Hudson Comprehensive Health Center  
Edward R. Roybal Comprehensive Health Center  
Ranch Los Amigos National Rehabilitation Center (for Burn Rehabilitation and certain Orthopedic Services only)  
IngleSide Hospital (for certain psychiatric inpatient services)  
Juvenile Court Health Services

AFFILIATION AGREEMENT

Amendment No. 2

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
by and between COUNTY OF LOS ANGELES (hereafter "County")  
and THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated July 1, 1999, and further identified as County Agreement No. H-210840 (hereafter "Agreement"); and Amendment No.1 thereto;

WHEREAS, it is the desire of the parties hereto to amend the Agreement to make changes to Addendum A-I, A-II, A-III, and A-IV and Exhibit 1-I, 1-II, and 2-I as described hereinafter and amend and replace Paragraph 11.19 and add Paragraph Numbers 11.27, 11.28, 11.29, and 11.30; and,

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon approval by the Board of Supervisors.
2. That Addendum A-I, A-II and Exhibit 1-I and 1-II shall be replaced with the revised Addendum A-I, A-II and Exhibit 1-I and 1-II, attached hereto and incorporated by reference.
3. That Addendum A-III shall be deleted and Addendum A-IV shall be renumbered to A-III and replaced with the revised Addendum A-III, attached hereto and incorporated by reference.
4. That Paragraph 11.19 be amended and replaced and Paragraph Numbers 11.27, 11.28,

11.29, and 11.30 be added to the Agreement as follows:

**11.19 CONTRACTOR’S WARRANTY OF ADHERENCE TO COUNTY’S  
CHILD SUPPORT COMPLIANCE PROGRAM:**

Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County’s Child Support Compliance Program County Code Chapter 2.200) and without limiting Contractor’s duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).”

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the County’s policy to encourage all County Contractor’s to voluntarily post the County’s “L.A.’s Most Wanted: Delinquent Parents” poster in a prominent position at the

Contractor's place of business. The County's Child Support Services Department will supply Contractor with the poster to be used."

#### **11.27 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other Agreements which indicates that Contractor is not responsible, County may in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed three (3) years, and terminate any or all existing Agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an Agreement with County any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will

notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to (sub-contractors/sub-consultants) of County Agreements.”

#### **11.28 PURCHASING RECYCLED-CONTENT BOND PAPER**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.



**11.29 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM:**

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If

Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. The required form, "County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception", is to be completed by the Contractor prior to Board approval of this Agreement and forwarded to ADPA.

D. Contractor's violation of the above subparagraph of Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

**11.30 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE**

SAFELY SURRENDERED BABY LAW:

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

5. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services, and University has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, MD  
Director of Health Services

THE REGENTS OF THE UNIVERSITY  
OF CALIFORNIA

By \_\_\_\_\_

Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Chief, Contracts and Grants Division

## EXHIBIT 1-I

### County and University Training Programs – Coastal Cluster

**1-I.1 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County Harbor-UCLA Medical Center, pursuant to this Agreement:

- Anesthesiology
- Emergency Medicine
- Family Practice
- Family Practice – Sports Medicine
- Internal Medicine
- Internal Medicine – Cardiology
- Internal Medicine – Cardiology Interventional
- Internal Medicine – Electrophysiology
- Internal Medicine – Endocrinology
- Internal Medicine – Gastroenterology
- Internal Medicine – Hematology/Oncology
- Internal Medicine – Infectious Diseases
- Internal Medicine – Nephrology
- Internal Medicine – Pulmonary/Critical Care
- Internal Medicine – Rheumatology
- Neurology
- Neurology – Child
- Neurophysiology
- Obstetrics and Gynecology
- Orthopedic Surgery
- Pathology
- Pediatrics
- Pediatrics – Critical Care
- Pediatrics – Endocrinology
- Pediatrics – Gastroenterology
- Pediatrics – Emergency Medicine
- Pediatrics – Infectious Diseases
- Pediatrics – Medical Genetics
- Pediatrics – Neonatal
- Psychiatry – General
- Psychiatry – Child
- Radiology – Diagnostic
- Radiology – Interventional
- Radiology – Neuroradiology
- Radiology – Nuclear
- Surgery – General
- Surgery – Neurosurgery
- Surgery – Ophthalmology

Surgery – Otolaryngology  
Surgery – Plastic  
Surgery – Urology  
Surgery – Vascular  
Transitional Year

**1-I.2 Non-ACGME-Accredited County Training Programs.** County Training Programs shall include the following non-ACGME-accredited training programs which are based at Los Angeles County Harbor-UCLA Medical Center, pursuant to this Agreement:

Internal Medicine – General  
Obstetrics/Gynecology – Maternal Fetal  
Obstetrics/Gynecology – Reproductive Endocrinology  
Obstetrics/Gynecology – Urogynecology  
Orthopedic Surgery – Foot and Ankle

## EXHIBIT 1-II

### County and University Training Programs – Valley Care Cluster

**1-II.1 ACGME-Accredited University Training Programs.** University Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – Olive View-UCLA Medical Center, pursuant to this Agreement:

- Emergency Medicine
- Family Medicine
- Family Medicine – Preventive
- Family Medicine – Mid-Valley
- Neurology
- Obstetrics-Gynecology
- Ophthalmology
- Pathology
- Pediatrics
- Psychiatry
- Radiology
- Surgery – General
- Surgery – Head & Neck
- Surgery – Plastic
- Urology

**1-II.2 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – Olive View-UCLA Medical Center, pursuant to this Agreement:

- Internal Medicine – General
- Internal Medicine – Cardiology
- Internal Medicine – Gastroenterology
- Internal Medicine – Hematology/Oncology
- Internal Medicine – Infectious Diseases
- Internal Medicine – Nephrology
- Internal Medicine – Pulmonary
- Internal Medicine – Rheumatology

## **EXHIBIT 2-I**

### **Coastal Cluster**

**The following shall constitute the Coastal Cluster:**

Los Angeles County – Harbor/UCLA Medical Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

Note, the following facilities shall also be considered a part of the Coastal Cluster for purposes of this Agreement only:

DMH / Harbor-UCLA Medical Adult and Child Health Services

The Primary County Facilities shall include those facilities within the Coastal Cluster, which are so identified in Addendum A-1.



## ADDENDUM A-I

### Purchased Services – Coastal Cluster

#### Contract Year Ending June 30, 2005 ("Contract Year 2005")

**A-I.1. General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-I.4. **In no event shall the fixed and per-unit rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.**

**A-I.2. Fixed and Variable Costs; Units of Service.** The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) per program base cost of operation, which will not vary within a given range of Housestaff enrolled in that program, (b) cost per resident, (c) cost per program director, and (d) cost per other Faculty member. Pursuant to § 2.5.2.2., County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities.

The County's pro rata share of the following fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure; (b) University Representative; (c) University Graduate Medical Education Dean; and (d) University's administrative personnel.

**A-I.3. Volume of Purchased Services.** For Contract Year 2005, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services; but as provided in § A-I.1, the fixed and per-unit rates set forth in § A-I.4 shall not vary during the course of the Contract Year.

For purposes of the payment methodology set forth in this Addendum A, each County Training Program shall be categorized according to the annualized number of Housestaff full time equivalents ("FTEs") it includes during Contract Year 2005, as follows:

<u>Size</u>	<u>Annualized Housestaff FTEs</u>
Small	Ten or fewer ( $\leq 10$ )
Medium	Between ten and thirty ( $10 < x \leq 30$ )
Large	Over thirty ( $> 30$ )

<u>Small Programs (35)</u>	<u>Annualized Housestaff FTEs</u>
Family Medicine – Sports Medicine	2.00
Internal Medicine – Cardiology Interventional	2.00
Internal Medicine – Electrophysiology	3.00
Internal Medicine – Endocrinology	6.00
Internal Medicine – Gastroenterology	3.00
Internal Medicine – General	1.00
Internal Medicine – Hematology/Oncology	5.00
Internal Medicine – Infectious Disease	4.00
Internal Medicine – Nephrology	4.00
Internal Medicine – Pulmonary	6.00
Internal Medicine – Rheumatology	1.00
Neurology	9.00
Neurology – Child	1.00
Neurophysiology	1.00
OB/Gyn – Maternal Fetal	3.00
OB/Gyn – Reproductive Endocrinology	0.00 (1.0 FTE authorized)
OB/Gyn – Urogynecology	2.00
Orthopedic Surgery - Foot and Ankle	1.00
Pediatrics – Critical Care	6.00
Pediatrics – Endocrinology	2.00
Pediatrics – Gastroenterology	1.00
Pediatrics – Emergency Medicine	2.00
Pediatrics – Infectious Disease	1.00
Pediatrics – Medical Genetics	2.00
Pediatrics – Neonatal	3.00
Psychiatry – Child	6.00
Radiology – Neuroradiology	1.00
Radiology – Interventional	1.00
Radiology – Nuclear	1.00
Surgery – Neurosurgery	2.00
Surgery – Ophthalmology	5.00
Surgery – Otolaryngology	5.00
Surgery – Plastic	1.00
Surgery – Urology	2.00
Surgery – Vascular	<u>1.00</u>
	96.00

<u>Medium Programs (8)</u>	<u>Annualized Housestaff FTEs</u>
Anesthesiology	15.00
Internal Medicine – Cardiology	13.00
Ob/Gyn	20.00
Orthopedic Surgery	15.00
Pathology	15.00
Psychiatry	28.00
Radiology	20.00
Transitional Year	<u>20.00</u>
	146.00

<u>Large Programs (5)</u>	<u>Annualized Housestaff FTEs</u>
Emergency Medicine	42.00
Family Practice	40.00
Internal Medicine	58.00
Pediatrics	31.00
Surgery	<u>45.00</u>
	216.00

**A-I.4 Fixed, Unit and Total Payments.** During Contract Year 2005, County shall compensate University as follows:

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>		<u>Total Price</u>
		<u>Authorized</u>	<u>Active</u>	
Per Resident	\$ 3,616	459	458	\$ 1,656,000
Program Directors	\$ 18,000	41	41	\$ 738,000
Faculty Members	\$ 8,009	219	219	\$ 1,754,000
University Housestaff Salaries* (Surgical Residents)		15	15	\$ 730,650
Small Program				
Base Cost (per program)	\$ 30,588	35	34	\$ 1,040,000
Medium Program				
Base Cost (per program)	\$ 56,250	8	8	\$ 450,000
Large Program				
Base Cost (per program)	\$115,000	5	5	<u>\$ 575,000</u>
<b>Total Variable Costs</b>				<b>\$ 6,943,650</b>

<u>Fixed Costs</u>	<u>Total Price</u>
Academic Infrastructure	\$ 800,000
University Representative	\$ 33,000
GME Dean	\$ 40,000
Administrative Personnel	\$ 100,000
Associate Dean Harbor/UCLA	<u>\$ 50,000</u>
<b>Total Fixed Costs</b>	<b>\$1,023,000</b>
 <b>Total Coastal Payment for Contract Year 2005</b>	 <b><u>\$7,966,650</u></b>

**A-I.5 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Coastal Cluster:

Harbor-UCLA Medical Center  
Wilmington Health Center

## ADDENDUM A-II

### Purchased Services – Valley Care Cluster

**Contract Year Ending June 30, 2005 (“Contract Year 2005”)**

**A-II.1 General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-II.4. **In no event shall the fixed and per-unit rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.**

**A-II.2 Fixed and Variable Costs; Units of Service.** The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) per program base cost of operation, which will not vary within a given range of Housestaff enrolled in that program; (b) cost per resident; (c) cost per program director, and (d) cost per other Faculty member. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for University Housestaff assigned to Primary County Facilities.

The County’s pro rata share of the following fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (v) overall academic infrastructure, (w) University Representative, (x) University Graduate Medical Education Dean, (y) University’s administrative personnel, and (z) Faculty.

**A-II.3 Volume of Purchased Services.** For Contract Year 2005, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County’s needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services; but as provided in § A-II.1, the fixed and per-unit rates set forth in § A-II.4 shall not vary during the course of the Contract Year.

For purposes of the payment methodology set forth in this Addendum A-II, each University Training Program shall be categorized according to the annualized number of Housestaff full time equivalents (“FTEs”) it includes during Contract Year 2005, as follows:

<u>Size</u>	<u>Annualized Housestaff FTEs</u>
Small	Ten or fewer ( $\leq 10$ )
Medium	Between ten and thirty ( $10 < x \leq 30$ )
Large	Over thirty ( $> 30$ )

<u>Small Programs (19)</u>	<u>Annualized Housestaff FTEs</u>
Emergency Medicine/Internal Medicine	2.00
Family Medicine	5.00
Family Medicine - Mid-Valley	1.25
Internal Medicine – Cardiology	3.00
Internal Medicine – Gastroenterology	2.00
Internal Medicine - Hematology/Oncology	4.00
Internal Medicine - Infectious Disease	2.00
Internal Medicine – Nephrology	2.00
Internal Medicine – Pulmonary	2.00
Internal Medicine – Rheumatology	1.00
Neurology	3.00
Ophthalmology	3.00
Pathology	1.00
Psychiatry	9.00
Radiology	7.00
Surgery – General	7.00
Surgery – Head and Neck	3.00
Surgery – Plastic	1.00
Urology	<u>2.00</u>
	60.25

<u>Medium Programs (3)</u>	<u>Annualized Housestaff FTEs</u>
Emergency Medicine	17.50
OB-Gyn	13.00
Pediatrics	<u>11.00</u>
	41.50

<u>Large Programs (1)</u>	<u>Annualized Housestaff FTEs</u>
Internal Medicine	56.25

**A.II.4 Fixed, Unit and Total Payments.** During Contract Year 2005, County shall compensate University as follows:

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>	<u>Total Price</u>
Per Resident	\$ 4,120	158	\$ 650,960
Program Directors	\$ 27,295	23	\$ 627,785
Faculty Members	\$ 6,695	90	\$ 602,550
University Housestaff Salaries		158	\$ 7,360,430

Small Program			
Base Cost (per program)	\$ 40,000	19	\$ 760,000
Medium Program			
Base Cost (per program)	\$ 75,000	3	\$ 225,000
Large Program			
Base Cost (per program)	\$115,000	1	<u>\$ 115,000</u>
<b>Total Variable Costs</b>			<b>\$10,341,725</b>

<u>Fixed Costs</u>	<u>Total Price</u>
Academic Infrastructure	\$1,485,000
Clinical Resource Management Support	\$ 150,000
University Representative	\$ 30,000
GME Dean	\$ 40,000
Administrative Personnel	\$ 100,000
Associate Dean OV/UCLA	\$ 50,000
Transfer of Medicine Program Sponsorship from VA	\$ 120,000
Supplement for Hard to Recruit Physician Specialties	<u>\$ 200,000</u>
<b>Total Fixed Costs</b>	<b>\$ 1,855,000</b>

**Total Valley Care Payment for Contract Year** **\$12,516,725**

**A-II.5 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Valley Care Cluster:

Olive View-UCLA Medical Center  
Mid-Valley Comprehensive Health Center

**ADDENDUM A-III**

**Purchased Services – Total Payment**

**Contract Year Ending June 30, 2005 ("Contract Year 2005 ")**

	<u>Contract Year 2005</u>
Coastal Payment	\$ 7,966,650
Valley Care Payment	<u>\$12,516,725</u>
<b>Total Payment for Purchased Services</b>	<b><u>\$20,483,375</u></b>